

BUDGET LETTER

SUBJECT: 2003-04 BUDGET CHANGE LETTERS (FINANCE LETTERS)	NUMBER: 03-01
REFERENCES:	DATE ISSUED: January 22, 2003
	SUPERSEDES: BL 02-02

TO: Agency Secretaries
Department Directors
Departmental Budget Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

NOTE: Each department with a Capital Outlay program should provide a copy of this Budget Letter to its facility manager. Similarly, please provide a copy to Information Technology Officers.

FINANCE LETTERS

Due to the fiscal constraints facing the State, no General Fund Finance Letter requests will be accepted during the spring process. The deadline for non-General Fund requests is February 14, 2003. The Department of Finance (Finance) will accept only non-General Fund proposals of critical importance that cannot be deferred to the 2004-05 Budget process or requests for technical changes to Capital Outlay projects. Prior to submission of any requests, departments must obtain approval from the Finance Program Budget Manager. Compliance with the February 14, deadline is critical so that the Administration can submit Budget modifications to the Legislature in a timely manner.

INFORMATION TECHNOLOGY FINANCE LETTERS

Finance Letters requesting funding for critical information technology (IT) projects require Finance approval of a Feasibility Study Report (FSR), Special Project Report (SPR), or equivalent document. Pursuant to Management Memo 02-16, departments are required to submit two copies of the FSR, SPR, or equivalent document to Finance, one copy to the Legislative Analyst's Office, and, if the project procurement amount exceeds \$500,000 or the department's purchasing delegation amount, one copy to the Department of General Services. Departments must submit FSRs, SPRs, or equivalent documents to Finance no later than January 31, 2003, in order for Finance to consider the associated IT Finance Letter requests. Comprehensive information for IT project reporting, including instructions to assist departments in meeting Finance reporting requirements can be found in the State Information Management Manual (SIMM) located at <http://www.dof.ca.gov/HTML/IT/SIMM/SIMM.htm>

CAPITAL OUTLAY FINANCE LETTERS

Finance Letter requests for FY 2003-04 will continue use of the forms developed and utilized for the 2003-04 Governor's Budget development process (see BL 02-41). All Capital Outlay Finance Letter requests must include fiscal impact worksheets (FIW) and must be provided in both hard copy and electronically via e-mail. **All fiscal detail related to Capital Outlay Finance Letter requests must be entered in column F** in the FIW (Excel spreadsheet).

MAY REVISION

Government Code Section 13308 requires the submission of the traditional May Revision to the Legislature by May 14. The traditional May Revision includes updated estimates of revenues; proposals to adjust expenditures to reflect updated revenue estimates, if necessary; and proposals to adjust Proposition 98 and enrollment, caseload and population (ECP) programs. Departments traditionally affected by ECP changes should discuss with the Finance budget analyst appropriate submission dates to ensure compliance with the May Revision deadline.

If you have any general questions, please contact your Finance budget analyst. Contact your Technology Investment Unit or capital outlay analyst for questions related to IT or capital outlay requests, respectively.

A handwritten signature in black ink, appearing to read 'Steve Peace', with a stylized, flowing script.

STEVE PEACE
Director